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January 8, 2007

VIA ELECTRONIC FILING
Hon. Randolph F. Treece, U.S.M.J.
James T. Foley U.S. Courthouse
445 Broadway
Albany, New York 12207

Re: Ying Y. Lai v. Kun Fuk Cheng, a/k/a Steven Cheng, et. al.
05-CV-708 (TJM/RFT) / 04-CR-544 (TJM)

Dear Magistrate Treece:

Please accept the following as a fifth report on the status of the above-referenced action pursuant to the Court's Order dated October 10, 2006.

As you are aware, defendant Kun Fuk Cheng entered a guilty plea in his pending criminal action (04-CR-544) and Ying Y. Lai ("Ms. Lai") was served with a Preliminary Order of Forfeiture. Ms. Lai filed her petition for the adjudication of her mortgage interest in the premises known as 1885 Central Avenue, Albany, New York, which is a property subject to forfeiture in Mr. Cheng's criminal action, and is awaiting Court adjudication of her interest.

Mr. Cheng was sentenced on December 11, 2006, and pursuant to my discussions with Thomas A. Capezza, Assistant United States Attorney, it is my understanding that a Final Order of Forfeiture will be filed with the Court and published shortly. Subsequent to the publication of the Final Order of Forfeiture, the forfeited properties – including 1885 Central Avenue – will be listed for sale, with the net proceeds from the sale thereof to be distributed to allowed interest holders by order of priority.

Based on the foregoing, and upon the consent of Mr. Capezza, the parties would like to request that the stay of foreclosure proceedings (05-CV-708) in this matter be extended for an additional period of 90 days to allow for the filing and publication of the Final Order of Forfeiture and the listing and sale of 1885 Central Avenue. Accordingly, the stay would be in effect until April 16, 2007, with another status report due to you on or before Friday, January 13, 2007. Your consideration is greatly appreciated.

Very truly yours,

NOLAN & HELLER, LLP

Marco B. Koshykar

cc: Thomas A Capezza, AUSA (via facsimile (518) 431-0249)

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